



U.S. Department of Justice

*United States Attorney
District of Maryland*

Leo J. Wise
Assistant United States Attorney
Leo.Wise@usdoj.gov

Suite 400
36 S. Charles Street
Baltimore, MD 21201-3119

DIRECT: 410-209-4909
MAIN: 410-209-4800
FAX: 410-962-3091

November 20, 2018

Gerard P. Martin
Rosenberg Martin Greenberg, LLP
25 South Charles Street, 21st Floor
Baltimore, Maryland 21201

Re: United States v. Darryl De Sousa,
Criminal No. CCB-18-276 (D. Md.)

Dear Counsel:

This letter, together with the Sealed Supplement, confirms the plea agreement (this "Agreement") that has been offered to your client, Darryl De Sousa (hereinafter "Defendant"), by the United States Attorney's Office for the District of Maryland ("this Office"). If the Defendant accepts this offer, please have the Defendant execute it in the spaces provided below. If this offer has not been accepted by November 21, 2018, it will be deemed withdrawn. The terms of the Agreement are as follows:

Offenses of Conviction

1. The Defendant agrees to plead guilty to Counts 1, 2 and 3 of the Information now pending against him, which charges the Defendant with Failing to File a U.S. Individual Income Tax Return, in violation of 26 U.S.C. § 7203, for calendar years 2013, 2014 and 2015. The Defendant admits that the Defendant is, in fact, guilty of the offenses and will so advise the Court.

Elements of the Offenses

2. The elements of the offenses to which the Defendant has agreed to plead guilty, and which this Office would prove if the case went to trial, are as follows: That on or about the times alleged in the Information, in the District of Maryland:

1. The Defendant was a person required to file a return;
2. The Defendant failed to file at the time required by law; and
3. The failure to file was willful.

Penalties

3. The maximum penalties provided by statute for the offenses to which the Defendant is pleading guilty are as follows:

COUNT	STATUTE	MAX IMPRISONMENT	MAX SUPERVISED RELEASE	MAX FINE	SPECIAL ASSESSMENT
1	26 U.S.C. § 7203	1 year	1 year	\$100,000	\$25
2	26 U.S.C. § 7203	1 year	1 year	\$100,000	\$25
3	26 U.S.C. § 7203	1 year	1 year	\$100,000	\$25

a. Prison: If the Court orders a term of imprisonment, the Bureau of Prisons has sole discretion to designate the institution at which it will be served.

b. Supervised Release: If the Court orders a term of supervised release, and the Defendant violates the conditions of supervised release, the Court may order the Defendant returned to custody to serve a term of imprisonment up to the entire original term of supervised release if permitted by statute, followed by an additional term of supervised release.

c. Restitution: The Court may order the Defendant to pay restitution pursuant to 18 U.S.C. §§ 3663, 3663A, and 3664.

d. Payment: If a fine or restitution is imposed, it shall be payable immediately, unless the Court orders otherwise under 18 U.S.C. § 3572(d). The Defendant may be required to pay interest if the fine is not paid when due.

e. Collection of Debts: If the Court imposes a fine or restitution, this Office's Financial Litigation Unit will be responsible for collecting the debt. If the Court establishes a schedule of payments, the Defendant agrees that: (1) the full amount of the fine or restitution is nonetheless due and owing immediately; (2) the schedule of payments is merely a minimum schedule of payments and not the only method, nor a limitation on the methods, available to the United States to enforce the judgment; and (3) the United States may fully employ all powers to collect on the total amount of the debt as provided by law. Until the debt is paid, the Defendant agrees to disclose all assets in which the Defendant has any interest or over which the Defendant exercises direct or indirect control. Until the money judgment is satisfied, the Defendant authorizes this Office to obtain a credit report in order to evaluate the Defendant's ability to pay, and to request and review the Defendant's federal and state income tax returns. The Defendant agrees to complete and sign a copy of IRS Form 8821 (relating to the voluntary disclosure of federal tax return information) and a financial statement in a form provided by this Office.

Waiver of Rights

4. The Defendant understands that by entering into this Agreement, the Defendant surrenders certain rights as outlined below:

a. If the Defendant had pled not guilty and persisted in that plea, the Defendant would have had the right to a speedy jury trial with the close assistance of competent counsel. That trial could be conducted by a judge, without a jury, if the Defendant, this Office, and the Court all agreed.

b. If the Defendant elected a jury trial, the jury would be composed of twelve individuals selected from the community. Counsel and the Defendant would have the opportunity to challenge prospective jurors who demonstrated bias or who were otherwise unqualified, and would have the opportunity to strike a certain number of jurors peremptorily. All twelve jurors would have to agree unanimously before the Defendant could be found guilty of any count. The jury would be instructed that the Defendant was presumed to be innocent, and that presumption could be overcome only by proof beyond a reasonable doubt.

c. If the Defendant went to trial, the government would have the burden of proving the Defendant guilty beyond a reasonable doubt. The Defendant would have the right to confront and cross-examine the government's witnesses. The Defendant would not have to present any defense witnesses or evidence whatsoever. If the Defendant wanted to call witnesses in defense, however, the Defendant would have the subpoena power of the Court to compel the witnesses to attend.

d. The Defendant would have the right to testify in the Defendant's own defense if the Defendant so chose, and the Defendant would have the right to refuse to testify. If the Defendant chose not to testify, the Court could instruct the jury that they could not draw any adverse inference from the Defendant's decision not to testify.

e. If the Defendant were found guilty after a trial, the Defendant would have the right to appeal the verdict and the Court's pretrial and trial decisions on the admissibility of evidence to see if any errors were committed which would require a new trial or dismissal of the charges. By pleading guilty, the Defendant knowingly gives up the right to appeal the verdict and the Court's decisions.

f. By pleading guilty, the Defendant will be giving up all of these rights, except the right, under the limited circumstances set forth in the "Waiver of Appeal" paragraph below, to appeal the sentence. By pleading guilty, the Defendant understands that the Defendant may have to answer the Court's questions both about the rights being given up and about the facts of the case. Any statements that the Defendant makes during such a hearing would not be admissible against the Defendant during a trial except in a criminal proceeding for perjury or false statement.

g. If the Court accepts the Defendant's plea of guilty, the Defendant will be giving up

the right to file and have the Court rule on pretrial motions, and there will be no further trial or proceeding of any kind in the above-referenced criminal case, and the Court will find the Defendant guilty.

h. By pleading guilty, the Defendant will also be giving up certain valuable civil rights and may be subject to deportation or other loss of immigration status, including possible denaturalization. The Defendant recognizes that if the Defendant is not a citizen of the United States, or is a naturalized citizen, pleading guilty may have consequences with respect to the Defendant's immigration status. Under federal law, conviction for a broad range of crimes can lead to adverse immigration consequences, including automatic removal from the United States. Removal and other immigration consequences are the subject of a separate proceeding, however, and the Defendant understands that no one, including the Defendant's attorney or the Court, can predict with certainty the effect of a conviction on immigration status. The Defendant is not relying on any promise or belief about the immigration consequences of pleading guilty. The Defendant nevertheless affirms that the Defendant wants to plead guilty regardless of any potential immigration consequences.

Advisory Sentencing Guidelines Apply

5. The Defendant understands that the Court will determine a sentencing guidelines range for this case (henceforth the "advisory guidelines range") pursuant to the Sentencing Reform Act of 1984 at 18 U.S.C. § 3551-3742 (excepting 18 U.S.C. § 3553(b)(1) and 3742(e)) and 28 U.S.C. §§ 991 through 998. The Defendant further understands that the Court will impose a sentence pursuant to the Sentencing Reform Act, as excised, and must take into account the advisory guidelines range in establishing a reasonable sentence.

Factual and Advisory Guidelines Stipulation

6. a. This Office and the Defendant stipulate and agree to the Statement of Facts set forth in Attachment A, which is incorporated by reference herein. This Office and the Defendant further agree that the applicable base offense level is a level 14 pursuant to United States Sentencing Guidelines ("U.S.S.G.") §§ 2T1.1(a)(1) and 2T4.1 to account for a tax loss of more than \$40,000 but less than \$100,000.

b. This Office does not oppose a two-level reduction in the Defendant's adjusted offense level pursuant to U.S.S.G. § 3E1.1(a), based upon the Defendant's apparent prompt recognition and affirmative acceptance of personal responsibility for the Defendant's criminal conduct. This Office may oppose any adjustment for acceptance of responsibility under U.S.S.G. § 3E1.1(a) and may decline to make a motion pursuant to U.S.S.G. § 3E1.1(b), if the Defendant: (i) fails to admit each and every item in the factual stipulation; (ii) denies involvement in the offense; (iii) gives conflicting statements about the Defendant's involvement in the offense; (iv) is untruthful with the Court, this Office, or the United States Probation Office; (v) obstructs or attempts to obstruct justice prior to sentencing; (vi) engages in any criminal conduct between the date of this Agreement and the date of sentencing; (vii) attempts to withdraw the plea of guilty; or (viii) violates this Agreement in any way.

7. There is no agreement as to the Defendant's criminal history and the Defendant understands that the Defendant's criminal history could alter the Defendant's offense level. Specifically, the Defendant understands that the Defendant's criminal history could alter the final offense level if the Defendant is determined to be a career offender or if the instant offense was a part of a pattern of criminal conduct from which the Defendant derived a substantial portion of the Defendant's income.

8. Other than as set forth above, no other offense characteristics, sentencing guidelines factors, potential departures or adjustments set forth in the United States Sentencing Guidelines are in dispute or will be raised in calculating the advisory guidelines range.

Obligations of the Parties

9. At the time of sentencing, this Office and the Defendant reserve the right to advocate for a reasonable sentence, period of supervised release, and/or fine considering any appropriate factors under 18 U.S.C. § 3553(a). This Office reserves the right to bring to the Court's attention all information with respect to the Defendant's background, character, and conduct that this Office deems relevant to sentencing.

Waiver of Appeal

10. In exchange for the concessions made by this Office and the Defendant in this Agreement, this Office and the Defendant waive their rights to appeal as follows:

a. The Defendant knowingly waives all right, pursuant to 28 U.S.C. § 1291 or any other statute or constitutional provision, to appeal the Defendant's conviction on any ground whatsoever. This includes a waiver of all right to appeal the Defendant's conviction on the ground that the statutes to which the Defendant is pleading guilty is unconstitutional, or on the ground that the admitted conduct does not fall within the scope of the statutes.

b. The Defendant and this Office knowingly and expressly waive all rights conferred by 18 U.S.C. § 3742 to appeal whatever sentence is imposed (including any term of imprisonment, fine, term of supervised release, or order of restitution) for any reason (including the establishment of the advisory sentencing guidelines range, the determination of the Defendant's criminal history, the weighing of the sentencing factors, and any constitutional challenges to the calculation and imposition of any term of imprisonment, fine, order of forfeiture, order of restitution, and term or condition of supervised release), except the Defendant reserves the right to appeal any sentence that exceeds the statutory maximum; and

c. The Defendant waives any and all rights under the Freedom of Information Act relating to the investigation and prosecution of the above-captioned matter and agrees not to file any request for documents from this Office or any investigating agency.

Restitution

12. The Defendant agrees to the entry of a restitution order for the full amount of the victims' losses, which the parties stipulate is at least \$67,587.72, as described more fully in the factual stipulation. The Office further understands that the Defendant has already paid certain portions of tax directly or through an offset of refunds by the Internal Revenue Service and/or the Comptroller of Maryland. In this regard, the Internal Revenue Service has already applied the amounts of \$344.25 and \$422.05, which represented a portion of the Defendant's tax refund for another year, to the amount due and owing to the Internal Revenue Service for 2011 and 2012, respectively. In addition, the Defendant has already paid all tax, interest, and penalty due to the Comptroller of Maryland for the years of 2013, 2014 and 2015. Accordingly, the total restitution remaining due to the Internal Revenue Service, in the aggregate, is \$51,612.70 and to the Comptroller of Maryland, in the aggregate, is \$9,032.41. The total restitution remaining due as of the date of this agreement is \$60,645.11.

The following chart represents Defendant's taxes due and owing for tax years of 2008 through 2015, as well as an accounting for payments made by the Defendant prior to sentencing:

Year	IRS RESTITUTION	IRS REST. <u>DUE</u>	Comptroller of MD	Comptroller <u>DUE:</u>
2008	\$6,460.00	\$6,460.00	\$1,848.76	\$1,848.76
2009	\$7,067.00	\$7,067.00	\$1,894.71	\$1,894.71
2010	\$3,911.00	\$3,911.00	\$1,500.07	\$1,500.07
2011	\$6,497.00	\$6,152.75	\$1,895.12	\$1,895.12
2012	\$6,667.00	\$6,244.95	\$1,893.75	\$1,893.75
2013	\$6,845.00	\$6,845.00	\$1,949.68	\$0.00
2014	\$7,019.00	\$7,019.00	\$2,019.30	\$0.00
2015	\$7,913.00	\$7,913.00	\$2,207.33	\$0.00
TOTAL	\$52,379.00	<u>\$51,612.70</u>	\$15,208.72	<u>\$9,032.41</u>

Total Restitution:	\$67,587.72
Total OUTSTANDING:	<u>\$60,645.11</u>

The Defendant agrees that, pursuant to 18 U.S.C. §§ 3663 and 3663A and 3563(b)(2) and 3583(d), the Court may order restitution of the full amount of the actual, total loss caused by the offense conduct set forth in the factual stipulation. The total amount of restitution shall be due immediately and shall be ordered to be paid forthwith. Any payment schedule imposed by the Court establishes only a minimum obligation. The Defendant will make a good faith effort to pay any restitution. Regardless of the Defendant's compliance, any payment schedule does not limit the United States' ability to collect additional amounts from Defendant through all available collection remedies at

any time. The Defendant further agrees that the Defendant will fully disclose to this Office, the probation officer, and to the Court, subject to the penalty of perjury, all information (including but not limited to copies of all relevant bank and financial records) regarding the current location and prior disposition of all funds obtained as a result of the criminal conduct set forth in the factual stipulation. The Defendant further agrees to take all reasonable steps to retrieve or repatriate any such funds and to make them available for restitution. If the Defendant does not fulfill this provision, it will be considered a material breach of this Agreement, and this Office may seek to be relieved of its obligations under this Agreement.

In order to accommodate the proper application of any restitution payments arising from this matter, the Office agrees to recommend that the Court enter a restitution order (or orders) specifically outlining the amounts due from Defendant (1) by tax period and (2) by payee. The Office will further recommend that the Court enter an order indicating that restitution due to the Comptroller of Maryland for the 2013 and 2014 tax periods has already been satisfied and/or that no restitution order for these periods should be entered by the Court. The Office further agrees that the Defendant will receive proper credit for any payments made pursuant to this agreement, which represent payment of outstanding taxes for the above-referenced periods. To the extent that the Defendant makes additional restitution payments prior to the date of sentencing and provides information confirming payment, the Office will not object to a request by the Defendant to the Court that the restitution order (or orders) be reduced or eliminated to reflect payments already made.

Tax Liability

13. The Defendant understands that this Agreement does not resolve any civil tax liability that the Defendant may have, and that this Agreement is with the United States Attorney's Office, not with the Internal Revenue Service. The Internal Revenue Service is not a party to this Agreement and remains free to pursue any and all lawful remedies it may have. The Defendant agrees, however, as a special condition of supervised release: (a) to execute a final and conclusive "Closing Agreement" with the Internal Revenue Service, pursuant to section 7121 of the Internal Revenue Code, in order to resolve tax liabilities for the years 2008 through 2015; (b) to provide a complete and accurate financial statement, under penalty of perjury, to the United States that shall identify all assets valued at \$1,000 or more owned or held directly or indirectly by the Defendant, as well as all such assets transferred by the Defendant to any third parties since 2008, including the location of said assets and identities of the third parties; and (c) to pay to the Internal Revenue Service all additional taxes, interest and penalties that the Internal Revenue Service may determine that the Defendant owes for the tax years 2008 through 2015, pursuant to the aforesaid Closing Agreement.

Defendant's Conduct Prior to Sentencing and Breach

14. a. Between now and the date of the sentencing, the Defendant will not engage in conduct that constitutes obstruction of justice under U.S.S.G. § 3C1.1; will not violate any federal, state, or local law; will acknowledge guilt to the probation officer and the Court; will be truthful

in any statement to the Court, this Office, law enforcement agents, and probation officers; will cooperate in the preparation of the presentence report; and will not move to withdraw from the plea of guilty or from this Agreement.

b. If the Defendant engages in conduct prior to sentencing that violates the above paragraph of this Agreement, and the Court finds a violation by a preponderance of the evidence, then: (i) this Office will be free from its obligations under this Agreement; (ii) this Office may make sentencing arguments and recommendations different from those set out in this Agreement, even if the Agreement was reached pursuant to Rule 11(c)(1)(C); and (iii) in any criminal or civil proceeding, this Office will be free to use against the Defendant all statements made by the Defendant and any of the information or materials provided by the Defendant, including statements, information, and materials provided pursuant to this Agreement, and statements made during proceedings before the Court pursuant to Rule 11 of the Federal Rules of Criminal Procedure. A determination that this Office is released from its obligations under this Agreement will not permit the Defendant to withdraw the guilty plea. The Defendant acknowledges that the Defendant may not withdraw the Defendant's guilty plea—even if made pursuant to Rule 11(c)(1)(C)—if the Court finds that the Defendant breached the Agreement. In that event, neither the Court nor the Government will be bound by the specific sentence or sentencing range agreed and stipulated to herein pursuant to Rule 11(c)(1)(C).

Court Not a Party

15. The Court is not a party to this Agreement. The sentence to be imposed is within the sole discretion of the Court. The Court is not bound by the Sentencing Guidelines stipulation in this Agreement. The Court will determine the facts relevant to sentencing. The Court is not required to accept any recommendation or stipulation of the parties. The Court has the power to impose a sentence up to the maximum penalty allowed by law. If the Court makes sentencing findings different from those stipulated in this Agreement, or if the Court imposes any sentence up to the maximum allowed by statute, the Defendant will remain bound to fulfill all of the obligations under this Agreement. Neither the prosecutor, defense counsel, nor the Court can make a binding prediction, promise, or representation as to what guidelines range or sentence the Defendant will receive. The Defendant agrees that no one has made such a binding prediction or promise.


Entire Agreement

16. This letter, together with the Sealed Supplement, constitutes the complete plea agreement in this case. This letter, together with the Sealed Supplement, supersedes any prior understandings, promises, or conditions between this Office and the Defendant. There are no other agreements, promises, undertakings, or understandings between the Defendant and this Office other than those set forth in this letter and the Sealed Supplement. No changes to this Agreement will be effective unless in writing, signed by all parties and approved by the Court.

If the Defendant fully accepts each and every term and condition of this Agreement, please sign and have the Defendant sign the original and return it to me promptly.


Very truly yours,

Robert K. Hur
United States Attorney

By: 
Leo J. Wise
Derek E. Hines
Sean R. Delaney
Assistant United States Attorneys

I have read this Agreement, including the Sealed Supplement, and carefully reviewed every part of it with my attorney. I understand it and I voluntarily agree to it. Specifically, I have reviewed the Factual and Advisory Guidelines Stipulation with my attorney and I do not wish to change any part of it. I am completely satisfied with the representation of my attorney.

11-20-18
Date


Darryl De Sousa

I am the Defendant's attorney. I have carefully reviewed every part of this Agreement, including the Sealed Supplement with the Defendant. The Defendant advises me that the Defendant understands and accepts its terms. To my knowledge, the Defendant's decision to enter into this Agreement is an informed and voluntary one.

11/20/18
Date

 by 
Gerard P. Martin, Esq.

ATTACHMENT A

STIPULATION OF FACTS

The undersigned parties stipulate and agree that if this case had proceeded to trial, this Office would have proven the following facts beyond a reasonable doubt. The undersigned parties also stipulate and agree that the following facts do not encompass all of the evidence that would have been presented had this matter proceeded to trial.

Darryl De Sousa was hired by the Baltimore Police Department ("BPD") on December 14, 1998. From 2008 through 2015, De Sousa held the ranks of Deputy Commander of the Northeast Division, Commander of the Northeast Division, Lieutenant Colonel, Colonel, and Deputy Commissioner. On January 19, 2018, De Sousa was named interim Police Commissioner by the Mayor of Baltimore and was confirmed by the City Council on February 26, 2018.

On or about June 10, 1999, De Sousa submitted an Employee's Withholding Exemption Certificate ("W-4") to the City of Baltimore falsely claiming nine (9) allowances for both federal and state tax purposes. By virtue of this claim, De Sousa substantially reduced the amount of taxes withheld from his salary each year. When he filed his federal and state income taxes for calendar years 2008 through 2012, he falsely claimed deductions that he was not entitled to, including for unreimbursed employee expenses, when he had no such expenses, mortgage interest deductions and deductions for local property taxes, when he did not have a mortgage or own any real property, and business losses, when he did not operate any businesses. By virtue of these improper deductions, De Sousa was able to artificially reduce the amount of taxes he owed to the Internal Revenue Service ("IRS") and the State of Maryland.

For calendar years 2011 and 2012, De Sousa failed to file tax returns at all and did not do so until 2014. De Sousa also failed to pay penalties and interest on those late filed returns despite having been told to do so by the IRS.

As of May 5, 2018, De Sousa had not filed taxes for 2013, 2014 or 2015, despite having a clear legal obligation to do so, which he knew. By virtue of the nine allowances he falsely claimed, De Sousa owed additional money to the United States and the State of Maryland in each of those years, as he also knew.

Specifically, during the calendar year 2013, De Sousa received gross income of at least \$93,104 from the BPD. As a result, on or before April 15, 2014, De Sousa was required to file a tax return with the IRS. De Sousa did not file a 2013 tax return. Had he filed a return, he would have owed a total tax of \$16,710 to the IRS. As a result of the nine allowances De Sousa falsely claimed on his W-4, his withholdings would have been insufficient to cover this tax debt, and he would have been required to pay a total of \$6,845 in additional taxes to the IRS.

In addition, De Sousa did not file a Maryland Resident Income Tax Return for the year 2013. Had he filed a return for this year, he would have owed an additional \$1,949.68.

Similarly, during the calendar year 2014, De Sousa received gross income of at least \$101,985 from the BPD. As a result, on or before April 15, 2015, De Sousa was required to file a tax return with the IRS. De Sousa did not file a 2014 tax return. Had he filed a return, he would have owed a total tax of \$18,887. As a result of the nine allowances De Sousa falsely claimed on his W-4, his withholdings would have been insufficient to cover this tax debt, and he would have been required to pay a total of \$7,019 in additional taxes to the IRS.

In addition, De Sousa did not file a Maryland Resident Income Tax Return for the year 2014. Had he filed a return for this year, he would have owed an additional \$2,019.30.

On or about November 16, 2015, the IRS sent a letter to De Sousa stating, in relevant part, "Our records show that you haven't filed your tax return for the tax year ending on December 31, 2014," and requesting a response from him. De Sousa did not respond to this letter.

During the calendar year 2015, De Sousa received gross income of at least \$127,089 from the BPD. As a result, on or before April 15, 2016, De Sousa was required to file a tax return with the IRS. De Sousa did not file a 2015 tax return. Had he filed a return, he would have owed a total tax of \$25,514. As a result of the nine allowances De Sousa falsely claimed on his W-4, his withholdings would have been insufficient to cover this tax debt, and he would have been required to pay a total of \$7,913 in additional taxes to the IRS.

In addition, De Sousa did not file a Maryland Resident Income Tax Return for the year 2015. Had he filed a return for this year, he would have owed an additional \$2,207.33.

These three years were not the first time De Sousa failed to timely file income tax returns.

De Sousa did not file either his 2011 or 2012 U.S. Individual Income Tax Returns with the IRS at the time required by law, and did not request extensions. Instead, on or about September 29, 2014, De Sousa filed both his 2011 and 2012 tax returns, each of which he signed under the following warning: "Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete."

On these late filed returns, De Sousa falsely claimed deductions that reduced the taxes he owed the IRS and the State of Maryland.

Specifically, De Sousa falsely claimed on his 2012 return that he donated \$9,540 to charity, \$7,190 of which he claimed was by cash or check. The return also falsely claimed that he had unreimbursed employee expenses in the amount of \$15,977 for the year 2012, including \$1,050 in vehicle expenses, \$2,162 in parking fees, tolls, and transportation, \$4,198 in travel expenses, and \$8,567 in other business expenses. De Sousa had not, in fact, incurred these expenses related to his job as a Baltimore City Police officer that the BPD did not reimburse. By

virtue of these false representations, De Sousa claimed he only owed a total tax of \$9,936, when his total tax owed should have been \$15,486. The BPD withheld \$8,819 from De Sousa's wages for the payment of federal income taxes. Therefore, De Sousa would have been required to pay an additional \$6,667 to the IRS if he had filed an accurate return.

De Sousa falsely claimed on his 2011 return that he donated \$9,289 to charity, \$7,539 of which he claimed was by cash or check. De Sousa also falsely claimed that he had unreimbursed employee expenses in the amount of \$17,597 for the year 2011, including \$1,106 in vehicle expenses, \$2,168 in parking fees, tolls, and transportation, \$2,543 in travel expenses, and \$11,780 in other business expenses. De Sousa had not, in fact, incurred these expenses related to his job as a Baltimore City Police officer that the BPD did not reimburse. By virtue of these false representations, De Sousa claimed he only owed a total tax of \$7,831, when his total tax owed should have been \$13,619. The BPD withheld \$7,122 from De Sousa's wages for the payment of federal income taxes. Therefore, De Sousa would have been required to pay an additional \$6,497 to the IRS if he had filed an accurate return.

On or about October 27, 2014, the IRS sent De Sousa a letter telling him that he owed late fees, a penalty, and interest as a result of his late filed returns for the years 2011 and 2012. De Sousa did not send in any payments to the IRS to satisfy those debts.

Additionally, on or about November 13, 2013, De Sousa filed false 2011 and 2012 Maryland Resident Income Tax Returns that underreported his tax due.

In 2011, De Sousa calculated total Maryland income tax of \$3,812 when the amount should have been \$5,578.12. The BPD withheld \$3,683 from De Sousa's wages for the payment of Maryland and local taxes. Therefore, De Sousa would have been required to pay an additional \$1,895.12 to the State of Maryland if he had filed an accurate return.

In 2012, De Sousa calculated total Maryland income tax of \$4,543, when the amount should have been \$6,191.75. The BPD withheld \$4,298 from De Sousa's wages for the payment of Maryland and local taxes. Therefore, De Sousa would have been required to pay an additional \$1,893.75 to the State of Maryland if he had filed an accurate return.

De Sousa filed returns for calendar years 2008, 2009 and 2010, but claimed false deductions in a manner similar to the way he claimed false deductions on his 2011 and 2012 returns.

De Sousa falsely claimed on his 2010 return that he donated \$7,815 to charity, \$5,565 of which he claimed was by cash or check. The return also falsely claimed that he had unreimbursed employee expenses in the amount of \$4,369. De Sousa had not, in fact, incurred these expenses related to his job as a Baltimore City Police officer that the BPD did not reimburse. De Sousa also falsely claimed \$8,792 in business losses, when he did not have any such losses. By virtue of these false representations, De Sousa claimed he only owed a total tax of \$4,796, when his total tax owed should have been \$9,977. The BPD withheld \$6,066 from De

Sousa's wages for the payment of federal income taxes. Therefore, De Sousa would have been required to pay an additional \$3,911 to the IRS if he had filed an accurate return.

De Sousa falsely claimed on his 2009 return that he donated \$5,000 to charity, \$4,500 of which he claimed was by cash or check. The return also falsely claimed that he had unreimbursed employee expenses in the amount of \$12,593. De Sousa had not, in fact, incurred these expenses related to his job as a Baltimore City Police officer that the BPD did not reimburse. The return also falsely claimed \$10,987 in home mortgage interest deduction and \$3,145 in real estate taxes, although De Sousa did not own any real property and did not have a mortgage. By virtue of these false representations, De Sousa claimed he only owed a total tax of \$5,537, when his total tax owed should have been \$13,981. The BPD withheld \$6,914 from De Sousa's wages for the payment of federal income taxes. Therefore, De Sousa would have been required to pay an additional \$7,067 to the IRS if he had filed an accurate return.

De Sousa falsely claimed on his 2008 return that he donated \$10,357 to charity, \$9,857 of which he claimed was by cash or check. The return also falsely claimed that he had unreimbursed employee expenses in the amount of \$15,936. De Sousa had not, in fact, incurred these expenses related to his job as a Baltimore City Police officer that the BPD did not reimburse. The return also falsely claimed \$10,562 in home mortgage interest deduction and \$4,652 in real estate taxes, although De Sousa did not own any real property and did not have a mortgage. De Sousa also falsely claimed \$6,621 in business losses, when in fact, he did not have any such losses. By virtue of these false representations, De Sousa claimed he only owed a total tax of \$8,149, when his total tax owed should have been \$18,121. The BPD withheld \$11,661 from De Sousa's wages for the payment of federal income taxes. Therefore, De Sousa would have been required to pay an additional \$6,460 to the IRS if he had filed an accurate return.

De Sousa filed false 2008, 2009 and 2010 Maryland Resident Income Tax Returns that underreported his tax due.

In 2008, De Sousa calculated total Maryland income tax and local tax of \$3,868, when the amount should have been \$6,717.76. The BPD withheld \$4,869 from De Sousa's wages for the payment of Maryland and local taxes. Therefore, De Sousa would have been required to pay an additional \$1,848.76 to the State of Maryland if he had filed an accurate return.

In 2009, De Sousa calculated total Maryland income tax and local tax of \$3,473.57, when, the amount should have been \$5,581.71. The BPD withheld \$3,687 from De Sousa's wages for the payment of Maryland and local taxes. Therefore, De Sousa would have been required to pay an additional \$1,894.71 to the State of Maryland if he had filed an accurate return.

In 2010, De Sousa calculated Maryland income tax and local tax of \$3,725, when the amount should have been \$4,929.07. The BPD withheld \$3,429 from De Sousa's wages for the payment of Maryland and local taxes. Therefore, De Sousa would have been required to pay an additional \$1,500.07 to the State of Maryland if he had filed an accurate return.

On or about December 2, 2015, the IRS mailed a letter dubbed a “lock-in letter” to both De Sousa and BPD. The letter to De Sousa stated, in relevant part:

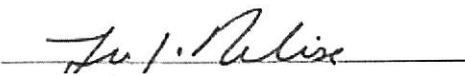
Generally, the amount your employer withholds for federal income tax is based on your Form W-4, Employee Withholding Allowance Certificate . . . We determined you aren’t entitled to claim exempt status or more than a specified number of withholding allowance... We sent your employer a “lock-in letter” . . . We also instructed your employer not to honor your current Form W-4 or a new Form W-4 from you, UNLESS it results in MORE withholding than at the withholding rate and withholding allowances listed above.

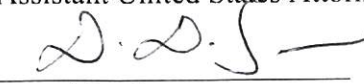
As a result of the lock-in letter, BPD began withholding taxes in greater amounts from De Sousa’s regular paycheck.

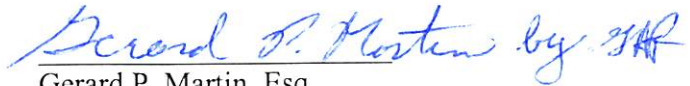
On or about April 15, 2017, De Sousa filed a 2016 U.S. Individual Income Tax Return and claimed a refund of \$1,644. On or about April 24, 2017, the IRS sent De Sousa a letter stating that it had levied \$344.25 from that refund to cover De Sousa’s late fee, penalty, and interest from his late 2011 return, and \$422.05 from his refund to cover De Sousa’s late fee, penalty, and interest from his late 2012 return.

In total, the combined tax due and owing to the United States and the State of Maryland as a result of De Sousa’s actions is \$67,587.72.

SO STIPULATED:


Leo J. Wise
Derek E. Hines
Sean R. Delaney
Assistant United States Attorneys


Darryl De Sousa
Defendant


Gerard P. Martin, Esq.
Counsel for Defendant